

SEC. 376. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN DEPARTMENT OF DEFENSE.

(a) Limitation- During fiscal year 2006, the Secretary of Defense may not obligate or expend any funds for the purpose of any financial management improvement activity relating to the preparation, processing, or auditing of financial statements until the Secretary submits to the congressional defense committees each of the following:

(1) A comprehensive and integrated financial management improvement plan that--

(A) describes specific actions to be taken to correct financial management deficiencies that impair the ability of the Department of Defense to prepare timely, reliable, and complete financial management information; and

(B) systematically ties such actions to process and control improvements and business systems modernization efforts described in the business enterprise architecture and transition plan required by section 2222 of title 10, United States Code.

(2) A written determination that each financial management improvement activity to be undertaken is--

(A) consistent with the financial management improvement plan submitted pursuant to paragraph (1); and

(B) likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

(b) Exception- The limitation under subsection (a) shall not apply to an activity directed exclusively at assessing the adequacy of internal controls and remediating any inadequacy identified pursuant to such an assessment.